

In Re: Layfield & Barrett, APC Debtor(s).	CHAPTER 11 (BUSINESS)	
	Case Number:	2:17-19548-NB
	Operating Report Number:	13
	For the Month Ending:	Aug-18

I. CASH RECEIPTS AND DISBURSEMENTS

A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	555,856.38
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS (amount is inclusive of \$334,093.94 transferred to acct #2180025491 per April 2018 MOR)	555,748.35
3. BEGINNING BALANCE: **	108.03
4. RECEIPTS DURING CURRENT PERIOD:	
Accounts Receivable - Post-filing	
Accounts Receivable - Pre-filing	N/A
General Sales	
Other (Specify)	
**Other (Specify)	
TOTAL RECEIPTS THIS PERIOD:	0.00
5. BALANCE:	108.03
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	
Transfers to Other DIP Accounts (from page 2)	
Disbursements (from page 2)	27.00
TOTAL DISBURSEMENTS THIS PERIOD:***	27.00
7. ENDING BALANCE:	81.03
8. General Account Number(s):	2181002722
Depository Name & Location:	Union Bank
	PO Box 513840
	Los Angeles, CA 90051

* All receipts must be deposited into the general account.

***This amount should be the same as the total from page 2.

TOTAL DISBURSEMENTS THIS PERIOD:		\$ 27.00	\$ 27.00
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** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Bank statement Date: 8/31/2018 Balance on Statement: \$81.03

Plus deposits in transit (a):

Deposit DateDeposit Amount

TOTAL DEPOSITS IN TRANSIT

	N/A
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Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount

TOTAL OUTSTANDING CHECKS:

\$ -

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$	81.03
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* It is acceptable to replace this form with a similar form

**** Please attach a detailed explanation of any bank statement adjustment**

1. TOTAL RECEIPTS PER ALL PRIOR CASH COLLATERAL ACCOUNT REPORTS	(amount is inclusive of \$334,093.94 transferred from acct #2181002722 per April 2018 MOR)	705,436.71
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR CASH COLLATERAL ACCOUNT REPORTS		\$ 133,087.49
3. BEGINNING BALANCE:		572,349.22
4. RECEIPTS DURING CURRENT PERIOD:		1,128,222.06
5. BALANCE:		1,700,571.28
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD		\$ 597,269.46
7. ENDING BALANCE:		\$ 1,103,301.82
8. CASH COLLATERAL Account Number(s):	2180025491	
Depository Name & Location:	Union Bank	
	PO Box 513840	
	Los Angeles, CA 90051	

[illegible]

Bank statement Date: 8/31/2018 Balance on Statement: \$1,194,238.87

Plus deposits in transit (a):

Deposit DateDeposit Amount

TOTAL DEPOSITS IN TRANSIT

Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount

1002

8/29/2018

90,937.05

TOTAL OUTSTANDING CHECKS:

90,937.05

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$1,103,301.82

* It is acceptable to replace this form with a similar form

**** Please attach a detailed explanation of any bank statement adjustment**

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS	N/A
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS	N/A
3. BEGINNING BALANCE:	0.00
4. RECEIPTS DURING CURRENT PERIOD: (Transferred from General Account)	0.00
5. BALANCE:	0.00
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	0.00
7. ENDING BALANCE:	0.00
8. TAX Account Number(s):	2181002730
Depository Name & Location:	Union Bank
	PO Box 513840
	Los Angeles, CA 90051

TOTAL DISBURSEMENTS THIS PERIOD:	N/A
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Bank statement Date: 8/31/2018 Balance on Statement: \$0.00

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
N/A	N/A

TOTAL DEPOSITS IN TRANSIT

N/A

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
N/A	N/A	N/A

TOTAL OUTSTANDING CHECKS:

N/A

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$0.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

ENDING BALANCES FOR THE PERIOD:

(Provide a copy of monthly account statements for each of the below)

	General Account:	\$ 81.03
	Cash Collateral Account:	1,103,301.82
	Tax Account:	0.00
*Other Accounts:		
*Other Monies:		
	**Petty Cash (from below):	N/A

TOTAL CASH AVAILABLE:

\$	1,103,382.85
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Petty Cash Transactions:

[illegible]

TOTAL PETTY CASH TRANSACTIONS:

N/A

* Specify the Type of holding (e.g. CD, Savings Account, Investment Security), and the depository name, location & account#

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II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS
AND OTHER PARTIES TO EXECUTORY CONTRACTS

TOTAL DUE:	N/A
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III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

Gross Sales Subject to Sales Tax: _____

Total Wages Paid: _____

	Total Post-Petition Amounts Owning	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding			
State Withholding			
FICA- Employer's Share			
FICA- Employee's Share			
Federal Unemployment			
Sales and Use			
Real Property			
Other: _____			
TOTAL:	N/A	N/A	

	*Accounts Payable Post-Petition	Accounts Receivable	
		Pre-Petition	Post-Petition
30 days or less			
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days	564,117.54		
TOTAL:	564,117.54		

V. INSURANCE COVERAGE**

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability	N/A	N/A	N/A	N/A
Worker's Compensation	N/A	N/A	N/A	N/A
Casualty	N/A	N/A	N/A	N/A
Vehicle	N/A	N/A	N/A	N/A
Others:				

VI. UNITED STATES TRUSTEE QUARTERLY FEES
 (TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
30-Sep-2017	\$ -	\$ 325.00	\$ 43,059.00	\$ 325.00	\$ -
31-Dec-2017	\$ 176.89	\$ 325.00	\$ 43,146.00	\$ 325.00	\$ -
31-Mar-2018	\$ 40,330.20	\$ 650.00	\$ 43,202.00	\$ 650.00	\$ -
31-Jul-2018	\$ 132,911.49	\$ 1,625.00	\$ 43,305.00	\$ 1,625.00	\$ -
				(overpayment of \$650 issued for Q2 2018)	\$ -

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report
 **All insurance policies have lapsed due to Debtor's non-payment.

[illegible]

VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

[illegible]

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Gross Sales/Revenue		
Less: Returns/Discounts		
Net Sales/Revenue	N/A	N/A
Cost of Goods Sold:		
Beginning Inventory at cost		
Purchases		
Less: Ending Inventory at cost		
Cost of Goods Sold (COGS)	N/A	N/A
Gross Profit	N/A	N/A
Other Operating Income (Itemize)		
Operating Expenses:		
Payroll - Insiders		
Payroll - Other Employees		
Payroll Taxes		
Other Taxes (Itemize)		
Depreciation and Amortization		
Rent Expense - Real Property		
Lease Expense - Personal Property		
Insurance		
Real Property Taxes		
Telephone and Utilities		
Repairs and Maintenance		
Travel and Entertainment (Itemize)		
Miscellaneous Operating Expenses (Itemize)		
Total Operating Expenses	N/A	N/A
Net Gain/(Loss) from Operations	N/A	N/A
Non-Operating Income:		
Interest Income		
Net Gain on Sale of Assets (Itemize)		
Other (Itemize)		
Total Non-Operating income	0.00	0.00
Non-Operating Expenses:		
Interest Expense		
Legal and Professional (Itemize)	44,349.01	564,117.54
Other (Itemize)		
Total Non-Operating Expenses	44,349.01	564,117.54
NET INCOME/(LOSS)		

(Attach exhibit listing all itemizations required above)

ASSETS

Current Month End

Current Assets: \$ 1,103,382.85

Unrestricted Cash

Restricted Cash

Accounts Receivable

Inventory

Notes Receivable

Prepaid Expenses

Other (Itemize)

Total Current Assets

1,103,382.85

Property, Plant, and Equipment

N/A

Accumulated Depreciation/Depletion

N/A

Net Property, Plant, and Equipment

N/A

Other Assets (Net of Amortization):

Due from Insiders

N/A

Other (Itemize)

N/A

Total Other Assets

TOTAL ASSETS

LIABILITIES

Post-petition Liabilities:

Accounts Payable

Taxes Payable

Notes Payable

Professional fees

\$ 564,117.54

Secured Debt

Other (Itemize)

Total Post-petition Liabilities

Pre-petition Liabilities:

Secured Liabilities

Priority Liabilities

Unsecured Liabilities

Other (Itemize)

Total Pre-petition Liabilities

TOTAL LIABILITIES

EQUITY:

Pre-petition Owners' Equity

Post-petition Profit/(Loss)

Direct Charges to Equity

TOTAL EQUITY

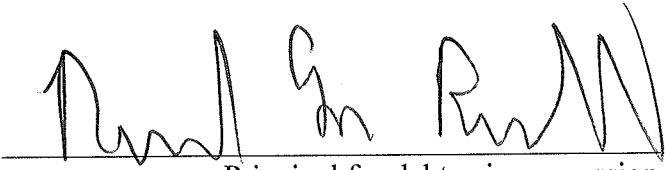
TOTAL LIABILITIES & EQUITY

- | | No | Yes |
|---|----------|---------------|
| 1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| 2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| <p>3. State what progress was made during the reporting period toward filing a plan of reorganization. Since his appointment on August 22, 2017, among other actions, the Trustee and his counsel have engaged in discussions with, and requested documentation and information from, persons and entities associated with the Debtor and third parties regarding the Debtor's assets, liabilities and previous business operations. The Debtor did not file its Schedules or Statement of Financial Affairs in the Case and no representative of the Debtor has appeared to respond to inquiries at any meeting of creditors pursuant to section 341(a) of the Bankruptcy Code. Therefore, despite his and his counsel's best efforts, the Trustee only has incomplete information regarding the estate. The Trustee intends to continue to gather and analyze information regarding the Debtor. Also, the Trustee filed and the Court approved a motion to approve procedures for the resolution of the bankruptcy estate's fee and cost claims arising from the Debtor's services to former clients and referrals of matters to other law firms. Pursuant to the authority and procedures granted by such order, the Trustee presently is engaged in settling such matters. The Trustee has recovered and is in the process of attempting to sell real property previously belonging to the Debtor that was transferred prior to the Petition Date and has issued demand letters to other parties receiving transfers within the preference period. The results of the Trustee's efforts to recover and dispose of these and other assets for the benefit of the estate will impact his determination regarding the formulation of a plan.</p> | | |
| <hr/> | | |
| 4. Describe potential future developments which may have a significant impact on the case: | | |
| <p>The Court set February 5, 2018, as the general claims bar date. Around 290 claims have been filed in the Case in the aggregate face amount of over \$860 million. Although neither the Trustee nor his counsel has initiated a review and analysis of the nature, amount and validity of such claims, the Trustee believes that the amount of claims asserted against the estate is significantly overstated. The Trustee and Wellgen Standard, LLC, the parent company and assignee of the Debtor's pre-petition lender, Advocate Capital, Inc., have entered into, and the Court has approved, a stipulation to address the fees billed and costs incurred by the Trustee and his counsel in connection with the case and the disposition of Wellgen's collateral. The Trustee continues to resolve and collect fee and cost claims belonging to the bankruptcy estate and is pursuing the recovery of avoidance claims. Once the foregoing issues have been resolved, the Trustee will be in a better position to analyze the financial condition of the bankruptcy estate and determine the disposition of the case that will be in the best interests of creditors, including, without limitation, the formulation of a plan. At a recent status conference, Philip Layfield, the principal of the Debtor, indicated that he would be filing a motion to dismiss the bankruptcy case.</p> | | |
| <hr/> | | |
| 5. Attach copies of all orders granting relief from the automatic stay that were entered during this reporting period. | | |
| N/A | | |

6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. No Yes
N/A
-

I, Richard M. Pachulski, Chapter 11 Trustee for Layfield & Barrett, APC, declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

9/21/18
Date


Principal for debtor-in-possession



**STATEMENT
OF ACCOUNTS**

UNION BANK
SPECIALIZED DEPOSITS 0218
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

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BANKRUPTCY ESTATE OF LAYFIELD &
BARRETT

Statement Number: 2180025491
08/01/18 - 08/31/18

Customer Inquiries
800-669-8661

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since 2017

**BANKRUPTCY ESTATE OF LAYFIELD & BARRETT
APC., DBTR - CASH COLLATERAL ACCOUNT
RICHARD PACHULSKI, CHAPTER 11 TRUSTEE
CASE #2:17-BK-19548-NB
10100 SANTA MONICA BLVD., 13TH FLOOR
LOS ANGELES CA 90067**

Business Basics Checking Summary

Account Number: 2180025491

Days in statement period: Days in statement period: 31

Balance on 8/ 1	\$	572,349.22
Total Credits		1,128,222.06
Deposits (1)	1,128,222.06	
Total Debits		-506,332.41
Checks paid (1)	-506,332.41	
Balance on 8/31	\$	1,194,238.87

C R E D I T S

Deposits including check and cash credits

Date	Description/Location	Reference	Amount
8/27	OFFICE DEPOSIT # 0000385032	77362373	\$ 1,128,222.06

D E B I T S

Check Paid

Number	Date	Amount	Number	Date	Amount
1001	8/31	506,332.41			

Daily Ledger Balance

Date	Ledger Balance	Date	Ledger Balance
8/1-8/26	\$ 572,349.22	8/31	\$ 1,194,238.87
8/27-8/30	1,700,571.28		



**STATEMENT
OF ACCOUNTS**

UNION BANK
SPECIALIZED DEPOSITS 0218
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

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BANKRUPTCY ESTATE OF LAYFIELD &
Statement Number: 2181002722
08/01/18 - 08/31/18

Customer Inquiries
800-669-8661

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**BANKRUPTCY ESTATE OF LAYFIELD &
BARRETT, APC., DEBTOR - GENERAL ACCOUNT
RICHARD PACHULSKI, CHAPTER 11 TRUSTEE
CASE #2: 17-BK-19548-NB
10100 SANTA MONICA BLVD., 13TH FLOOR
LOS ANGELES CA 90067**

Business Value Checking Summary

Account Number: 2181002722

Days in statement period: Days in statement period: 31

Balance on 8/ 1	\$	108.03
Total Credits		0.00
Total Debits		-27.00
Other debits (2)	-27.00	
Balance on 8/31	\$	81.03

C R E D I T S

D E B I T S

Other debits, fees and adjustments

Date	Description	Reference	Amount
8/2	WIRE TRANSFER MONTHLY FEE/WEB (WTM)	90251884	\$ 15.00
8/31	SERVICE CHARGE WITH ONLINE STATEMENT		12.00
	2 Other debits, fees and adjustments	Total	\$ 27.00

Daily Ledger Balance

Date	Ledger Balance	Date	Ledger Balance
8/1	\$ 108.03	8/31	\$ 81.03
8/2-8/30	93.03		



**STATEMENT
OF ACCOUNTS**

UNION BANK
SPECIALIZED DEPOSITS 0218
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

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BANKRUPTCY ESTATE OF LAYFIELD &
Statement Number: 2181002730
08/01/18 - 08/31/18

Customer Inquiries
800-669-8661

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BANKRUPTCY ESTATE OF LAYFIELD &
BARRETT, APC., DEBTOR - TAX ACCOUNT
RICHARD PACHULSKI, CHAPTER 11 TRUSTEE
CASE #2:17-BK-19548-NB
10100 SANTA MONICA BLVD., 13TH FLOOR
LOS ANGELES CA 90067

Business Value Checking Summary

Account Number: 2181002730

Days in statement period: Days in statement period: 31

Balance on 8/ 1	\$	0.00
Total Credits		0.00
Total Debits		0.00
Balance on 8/31	\$	0.00

C R E D I T S

D E B I T S

Daily Ledger Balance

<u>Date</u>		<u>Ledger Balance</u>	<u>Date</u>	<u>Ledger Balance</u>
8/1-8/31	\$	0.00		